Module 9 Simulation Claiming the Tax Credit for Child and Dependent Care Expenses



In this simulation, you will take on the role of Albert Wentworth in order to learn how to claim the Tax Credit for Child and Dependent Care Expenses.

Your Tax Year
January 1

December 31 January 1

Your Filing Season

April 15

You are married to Susan. You have two children, Rachel, age 5, and Paul, age 2. You live in the United States; you, your wife, and your children are all U.S. citizens. Neither you, nor Susan, can be claimed as a dependent on any other person's tax return.

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You are a financial planner. Susan is a social worker. The children lived with you and Susan during the entire tax year in the family home. No one except Rachel and Paul depends on you and Susan for income or support. No one else can claim you or Susan as dependents. While you and Susan are at work, Rachel and Paul stay at Anytown Daycare Center, whose tax identification number is 10-0124578.

My Profile

Name: Albert Wentworth

Employment: Financial planner

Marital status: Married

Spouse's name (if any): Susan Wentworth, social worker

Children: Rachel, age 5, and Paul, age 2

U.S. citizen: Yes

Other: The children lived with you and Susan during the entire tax year in the family home. No one except Rachel and Paul depends on you and Susan for income or support. No one else can claim you or Susan as dependents. While you and Susan are at work, Rachel and Paul stay at Anytown Daycare Center, whose tax identification number is 10-0124578. Rachel and Paul did not have any income for the year. You and Susan provided all of the support for Rachel and Paul. You and Susan provided all of the costs to maintain the family home. During the tax year, you paid \$1500.00 each for the care of the children while you and Susan were at work. Neither you nor Susan received dependent care assistance from your employers.



January 1

Your Tax Year

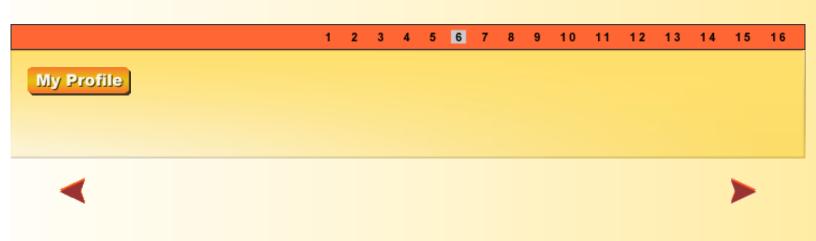
December 31 January 1

Your Filing Season

April 15

It's the end of the tax year. Rachel and Paul did not have any income for the year. You and Susan provided all of the support for Rachel and Paul. You and Susan provided all of the costs to maintain the family home. During the tax year, you paid \$1,500 each for the care of the children while you and Susan were at work. Neither you nor Susan received dependent care assistance from your employers.

To review your personal information, click My Profile below.



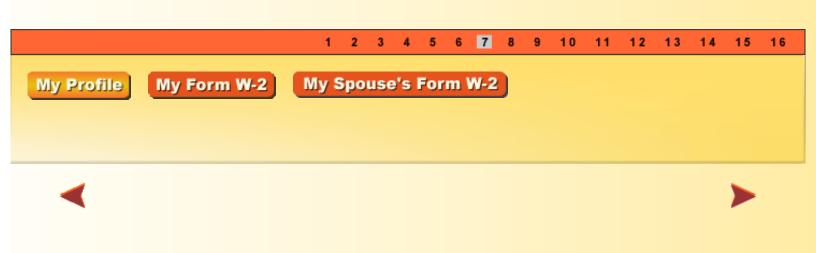
January 1 December 31 January 1 April 15

You and Susan receive your Forms W-2 from your employers. You earned \$48,215 from your job. Susan earned \$17,211 from her part-time job.

Note: Your employer is required to send your W-2 by January 31!

To review your W-2, click My Form W-2 below.

To review Susan's W-2, click My Spouse's Form W-2 below.



		a Employee	s's social security number	OMB No. 1	545-00	008	Safe, accurate, FAST! Use	11	ĦĐ		e IRS website
b	Employer identification number 10-2255412	(EIN)			1	Wa	ges, tips, other compensation \$48,215	2	Federal in		ax withheld 904.00
С	Employer's name, address, and Financial Planners Inc				3	Soc	cial security wages \$48,215	4	Social se		x withheld 989.33
	12 Center Circle Anytown, US 10123				5	Me	dicare wages and tips \$48,215	6	Medicare		held 699.12
					7	Soc	cial security tips	8	Allocated	tips	
d	Control number 222-00-1287				9	Adv	vance EIC payment	10	Depende	nt care l	penefits
е	Employee's first name and initia	l Last	name	Suff.	11	Nor	nqualified plans	C	See instr	uctions f	or box 12
	Albert W.	Wei	ntworth					o d e			
					13	Statutor	ry Retirement Third-party ee plan sick pay	12b			
	2 Shady Tree Lane				14	Oth	ner	12c	:		
	Anytown, US 10111							o d e			
								12d			
f	Employee's address and ZIP co	de									
15	State Employer's state ID num	nber	16 State wages, tips, etc.	17 State ince	me ta	х	18 Local wages, tips, etc.	9 Lo	cal income	tax	20 Locality name

Wage and Tax Statement

2007

Department of the Treasury-Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

		_					
	a Employee's social security number	OMB No. 154	5-0008	Safe, accurate, FAST! Use	~file	Visit the IRS at www.irs.go	
b Employer identification number ((EIN)		1 Waq 1721	ges, tips, other compensation 1.00	2 Federal income tax withheld 575.00		
c Employer's name, address, and	ZIP code		3 Social security wages 4 Social security tax withheld				nheld
Anytown Health Center		1721	1.00	1067.0	1		
21 Center Circle Anytown, US 10133		5 Medicare wages and tips 6 Medicare tax 249.56					
			7 Soc	cial security tips	8 Alloca	ted tips	
d Control number 222-00-8655			9 Adv	vance EIC payment	10 Depe	ndent care benefi	its
e Employee's first name and initia	I Last name	Suff.	11 Nonqualified plans 12a See instructions fo)х 12
Susan S.	Wentworth		13 Statuto	ry Retirement Third-party ee plan sick pay	12b C c d e		
2 Shady Tree Lane			14 Oth	er	12c	_	
Anytown, US 10111					12d	ı	
f Employee's address and ZIP co	de						
15 State Employer's state ID num	16 State wages, tips, etc.	17 State incom	e tax	18 Local wages, tips, etc.	19 Local inco	me tax 20 Lo	ocality name

Form **W-2** Wage and Tax Statement



Department of the Treasury-Internal Revenue Service

January 1 December 31 January 1 Your Filing Season
April 15

You have everything you need to file your taxes. You will be using Form 1040A in order to claim the tax credit for child and dependent care expenses. You will be using the married filing joint filing status.

	IRS label.	Ħ	Home address (number :	and street), i	fyou have a P	.O. box, a	ee page 18.					^	pt. no.	_	▲ You must enter ▲					
	Otherwise, please print	E R E								_		\perp			your S	SN(s) at	ove.	_		
	or type. Presidential	(-	City, town or post office,	, state, and ?	ZIP code. If you	u have a f	oreign addr	968, 500	page 18	8.					Checking a box below will not change your tax or refund.					
	Election Camp	aign	Check here if you	ı, or your	spouse if f	iling joir	ntly, wan	t \$3 to	go to	o this f	fund (s	see pa	ge 18)	▶	You		Spous	е		
	Filing		1 Single						-		land of	£ 1		ul		non\ /Sa	e noge	19.1		
	etatue		2 Married fili	na iointly	(even if on	lv one l	nad incor	ne)	4	lf	f the q	r nouse ualifyin	ehold (wit g persor	th qualit is a ch	nying per nild but r	not your	depende	ent,		
				na iointly	(even if on	lv one h	nad incor	me)	4	lf	f the q	r nouse ualifyin	ehold (wi	th qualit	rying per nild but r	not your	depende	ent,		
				na iointlv	(even if on		nad incor	ne) 5	6	7	f the q	r nouse ualifyin	ehold (wr ig persor	th qualit n is a ch	nying per nild but r	not your	depende	1 5	16	
			2 Married fili		1	2	3 4	5	6	7	f the q	ualifyin	g persor	n is a ch	nild but r	not your	depende	ent,	16	
My					(even if on	2	3 4	5	6	7	f the q	ualifyin	g persor	n is a ch	nild but r	not your	depende	ent,	16	
My	etatile		2 Married fili		1	2	3 4	5	6	7	f the q	ualifyin	g persor	n is a ch	nild but r	not your	depende	ent,	16	
Му	etatile		2 Married fili		1	2	3 4	5	6	7	f the q	ualifyin	g persor	n is a ch	nild but r	not your	depende	ent,	16	



Are the Qualifying Child Dependency Tests Met For Rachel Wentworth?

Dependent Taxpayer Test • yes • no Joint Return Test • yes • no Citizen or Resident Test • yes • no Relationship Test • yes • no Age Test • yes • no Residency Test • yes • no Support Test • yes • no Special Test for Qualifying Child of More Than One Person does Oyes Ono Onot apply

Can you claim Rachel as a dependent on your tax return?

yes
o no

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile My Form W-2 My Spouse's Form W-2

January 1

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Well done!

Rachel meets the Dependent Taxpayer Test — she is not claiming another person.

Rachel meets the Joint Return Test — she has no income and will not file a tax return this year.

Rachel meets the Citizen or Resident Test — she is a United States citizen.

Rachel meets the Relationship Test — she is your daughter.

Rachel meets the Age Test — she is 5.

Rachel meets the Residency Test — she lived with you and Susan the entire year.

Rachel meets the Support Test — she does not provide over 50% of her own support.

Special Test for Qualifying Child of More Than One Person does not apply to Rachel — her parents are filing a joint return.

All of the tests are met. You can claim Rachel as a dependent on your tax return.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile

My Form W-2

My Spouse's Form W-2

does

apply



Are the Qualifying Child Dependency Tests Met For Paul Wentworth?

Dependent Taxpayer Test • yes • no Joint Return Test • yes • no Citizen or Resident Test • yes • no Relationship Test • yes • no Age Test • yes • no Residency Test • yes • no Support Test • yes • no Special Test for Qualifying Child of More Than One Person Oyes Ono Onot

Can you claim Paul as a dependent on your tax return?

0 • yes no

11 12 13 14 15 7 8 9 10 My Spouse's Form W-2 My Profile My Form W-2

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Well done!

Paul meets the Dependent Taxpayer Test — he is not claiming another person.

Paul meets the Joint Return Test — he has no income and will not file a tax return this year.

Paul meets the Citizen or Resident Test — he is a United States citizen.

Paul meets the Relationship Test — he is your son.

Paul meets the Age Test — he is 2.

Paul meets the Residency Test — he lived with you and Susan the entire year.

Special Test for Qualifying Child of More Than One Person does not apply to Paul — his parents are filing a joint return.

All of the tests are met. You can claim Paul as a dependent on your tax return.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile My Form W-2 My Spouse's Form W-2

January 1 December 31 January 1 April 15

You will now answer several questions to determine whether you can claim the tax credit for Child and Dependent Care Expenses.

Did you pay a person or an organization to provide care for your child or children under age 13?

⊙ yes Ono

Are you a U.S. citizen?

⊙ yes Ono

If yes, you have at least one qualifying person.



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Did you pay a person or an organization to provide care for a person, other than a child, who is physically or mentally incapable of self-care?

O yes • no

If yes, is the person claimed as a dependent on your tax return?

If yes, you have at least one qualifying person.

If no, could you claim the person as a dependent if his or her gross income was less than the exemption amount?

⊙ yes Ono

If yes, you have at least one qualifying person.

1 2 3 4 5 6 7 8 9 10 11 12 13 **14** 15 16

My Profile My Form W-2

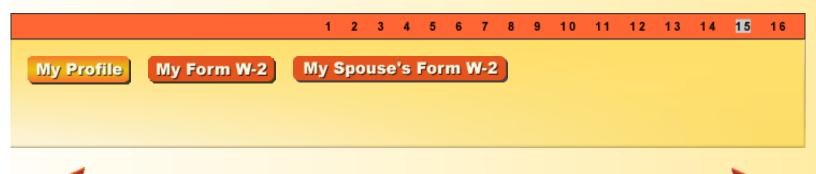
My Spouse's Form W-2

January 1 December 31 January 1 April 15

Did you pay a person or an organization to provide care for your spouse who is incapable of self-care?

O yes • no

If yes, you have at least one qualifying person.



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Enter information in the fields below if applicable. If not, leave blank.

Enter the name of a qualifying person for whom care was provided:

rachel wentworth

(e.g. Bob Smith)

Enter the amount of qualifying expenses paid exactly as it appears in your profile:

\$ 1500

Enter the name of another qualifying person for whom care was provided:

Paul Wentworth

(e.g. Bob Smith)

Enter the amount of qualifying expenses paid exactly as it appears in your profile:

\$ 1500

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

My Profile My Form W-2 My Spouse's Form W-2

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Did you maintain a home that was also the home of a qualifying person?

• yes

Ono

If no, you cannot claim the credit for child and dependent care expenses.

Did you pay a person, not an organization, to provide care for a qualifying person?

Oyes

• no

If yes, is the care provider your own child under age 19?

Oyes

Ono

If yes, you cannot claim the credit for child and dependent care expenses.

Can you claim the care provider as a dependent on your tax return?

Oyes

no

If yes, you cannot claim the credit for child and dependent care expenses.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

January 1 December 31 January 1 April 15

Did you pay an organization to provide care for a qualifying person?

⊙ yes ○ no

If yes, enter the following information exactly as it appears in your profile.

Provider's name: Anytown Daycare Center

Provider's tax identification number:

10-0124578

17 18 19 20 22 23 24 25 26 27 28 29 30 31 My Spouse's Form W-2 My Form W-2 My Profile



Did you receive any dependent care assistance from your employer?

O yes o no

If yes, enter the amount received from your employer or employers.

Amount received: \$ blank

19 17 18 20 22 23 24 25 26 27 28 29 30 31 My Spouse's Form W-2 My Profile My Form W-2

January 1 December 31 January 1 Your Filing Season
April 15

Use Form W-2 to enter your salary on Form 1040A. Enter your salary exactly as it appears on your W-2.

Enter salary: \$	48215
T	

Form	Department of the Treasury—Internal Revenu		2007				
1040A	U.S. Individual Income Ta	ax Return (99)	2007 IRS	Use Only-		e or staple in this space. MB No. 1545-0074	
Label (Your lirst name and intols	Cast harrie)		ial security number	
(See page 18.) L A	Albert W.	Wentworth			222	:00 : 1287	
A B	If a joint return, spouse's first name and initial	Last name			Spouse's	social security number	
Use the L	Susan S.	Wentworth			222	2 00 8655	
IRS label. H	Home address (number and street), if you have a P.C), box, see page 18.	,	Apt. no.	▲ You must enter ▲		
Otherwise, E R P P P P P P P P P P P P P P P P P P	2 Shady Tree Lane				you	r SSN(s) above.	
or type.	City, town or post office, state, and ZIP code. If you Anytown, US 10111		a box below will not				
Presidential Campaign	Check here if you, or your spouse if file	ing jointly want \$3 to go	to this fund (see no	200 19)	. —	our tax or refund. You D Spouse	
			_				
Filing	 Single Married filing jointly (even if only 					person). (See page 19.) ut not your dependent,	
status Check only	3 Married filing separately. Enter s					,	
one box.	full name here. ►		5 Qualifying wid	dow(er) wi	th depende	nt child (see page 20)	
Exemptions	6a Vourself. If someone c	an claim you as a de	ependent, do n o	ot chec	k)	Boxes checked on	
	b ☐ Spouse	ſ	6a and 6b No. of children				
	c Dependents:		(3) Dependent's		qualifying	on 6c who:	
		(2) Dependent's social security number	(3) Dependent's chi		for child edit (see	lived with you	
If more than aix	(1) First name Last name	Security Hamber	you	page 21)		did not live	
dependents, see page 21.						with you due to divorce or	
ooo pago 21.				+	<u> </u>	separation (see page 22)	
				+	 		
				+	H -	Dependents on 6c not	
				+	Ħ	entered above	
	d Total number of exemption	s claimed.	8			Add numbers on lines above	
Income	•						
Attach	7 Wages, salaries, tips, etc.	Attach Form(s) W-2.			7		
Form(s) W-2					_		
here. Also	8a Taxable interest. Attach So		8b		8a		
attach Form(s)	b Tax-exempt interest. Do n 9a Ordinary dividends. Attach 6			_	— 9a		
1099-R if tax	b Qualified dividends (see no		9b		ઝલ		

Hint: See Box 1 on your W-2.

Your Tax Year January 1

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Use your Form W-2 to enter your federal tax withheld on your Form 1040A. Enter your tax withheld exactly as it appears on your W-2.

Enter tax withheld:	\$ 49	904

Form 1040A	(2007)		Page 2
Tax,	22	Enter the amount from line 21 (adjusted gross inco	ome).	22
credits, and			lind } Total boxes	
payments	ь	If you are married filing separately and your s		
Standard Deduction	Ĺ	deductions, see page 32 and check here	▶ 23b L	
for—	24	Enter your standard deduction (see left margin).		24
 People who checked any 	25	Subtract line 24 from line 22. If line 24 is more that		25
box on line 23a or 23b or	26	If line 22 is \$117,300 or less, multiply \$3,400 by the claimed on line 6d. If line 22 is over \$117,300, see the		26
who can be claimed as a	27	Subtract line 26 from line 25. If line 26 is more that	n line 25, enter -0	
dependent,		This is your taxable income.	_ \	27
see page 32.	28	Tax, including any alternative minimum tax (see pa	28	
All others:	29	Credit for child and dependent care expenses. Attach Schedule 2.	29	
Single or Married filing		_		
separately,	30	Credit for the elderly or the disabled. Attach		
\$5,350		Schedule 3.	30	_
Married filing jointly or	31	Education credits, Attach Form 8863,	31	_
Qualifying	32	Child tax credit (see page 37). Attach		
widow(er), \$10,700		Form 8901 if required.	32	_
Head of	33	Retirement savings contributions credit. Attach		
household,		Form 8880.	33	
\$7,850	34	Add lines 29 through 33. These are your total cre-		34
	35	Subtract line 34 from line 28. If line 34 is more than I		35
	36	Advance earned income credit payments from For	., .	36
	37	Add lines 35 and 36. This is your total tax.		37
	38	Federal income tax withheld from Forms W-2 and 1099.	38	_
	39	2007 estimated tax payments and amount		_
If you have		applied from 2006 return.	39	_
a qualifying child, attach	40a		40a	_
Schedule	ь	Nontaxable combat pay election. 40b		

Hint: See Box 2 on your W-2.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

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Use Form W-2 to enter Susan's salary on Form 1040A. Enter her salary exactly as it appears on her W-2.

Enter Susan's salary:	\$	17211
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Note: Susan's salary will be added to your salary on your final tax return.

Form	Department of the Treasury—Internal Revenu										
1040A	U.S. Individual Income Ta	ax Return (99)	2007 IRS U	lee Only—Do not writ	e or staple in this space.						
Label (Your first name and initial	Last name			MB No. 1545-0074						
(See page 18.) L					ial security number						
A B E	Albert W.	Wentworth		222	; 00 ; 1287						
Use the	If a joint return, spouse's first name and initial	Last name			social security number						
IRS label.	Susan S.	Wentworth		222	;00 ; 8655						
Otherwise, R R	Home address (number and street), if you have a P.O. 2 Shady Tree Lane	O. box, see page 18.	46		i must enter ir SSN(s) above.						
or type.	City, town or post office, state, and ZIP code. If you	have a foreign address, see page	18.	Checking	a box below will not						
Presidential	Anytown, US 10111		our tax or refund.								
Election Campaign	Check here if you, or your spouse if fil	ling jointly, want \$3 to go			You L Spouse						
Filing	1 D Single		4 Head of house	hold (with qualifying	person). (See page 19.)						
status		2 ✓ Married filing jointly (even if only one had income) If the qualifying person is a child but not your dependent,									
Check only one box.	3 ☐ Married filing separately. Enter structure full name here. ►	spouse's SSN above and	_		nt child (see page 20)						
	6a Vourself. If someone of				Boxes						
Exemptions	box 6a.	an ciaim you as a d	ерепаент, ао по	Check	checked on 6a and 6b						
	b ☐ Spouse		No. of children								
	c Dependents:	400 Dan and anticonsist	(3) Dependent's	(4) √if qualifying	on 6c who:						
		(2) Dependent's social security number	relationship to	child for child tax credit (see	lived with you						
If more than six	(1) First name Last name		you	page 21)	did not live						
dependents, see page 21.				<u> </u>	with you due to divorce or						
oco pago z				 	separation (see page 22)						
				 							
				 	Dependents on 6c not						
				 	entered above						
					Add numbers						
	d Total number of exemption	s claimed.	36		on lines above ▶						
Income											
Attach	7 Wages, salaries, tips, etc.	Attach Form(s) W-2.		7							
Form(s) W-2											
here. Also	8a Taxable interest. Attach So			8a							
attach Form(s)	b Tax-exempt interest. Do n 9a Ordinary dividends. Attach		8b	9a							
1099-R if tax	b Qualified dividends (see pa		9b	98							

Your Tax Year January 1

ecember 31 Janua

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Use Susan's Form W-2 to enter her federal tax withheld on your Form 1040A. Enter her tax withheld exactly as it appears on her Form W-2.

Enter Correctly to a socially all to	\$
Enter Susan's tax withheld:	575

Note: Susan's tax withheld will be added to your tax withheld on your final tax return.

Form	Department of the Treasury—Internal Revenue	- Ounies						
1040A	U.S. Individual Income Ta		2007 IBS U	lee Only_Do	not write or staple in this space.			
Label	Your first name and initial	Last name	2001 1130	7	OMB No. 1545-0074			
(See page 18.)				Y	our social security number			
A B	Albert W.	Wentworth			222 ; 00 ; 1287			
Use the	it a joint return, spouse's first name and initial Susan S.	Wentworth		, ,	222 : 00 : 8655			
IRS label.	Home address (number and street), if you have a P.C	7701101101	Ac.	t. no.	A You must enter			
Otherwise, E please print E	2 Shady Tree Lane			- 4	your SSN(s) above.			
or type.	City, town or post office, state, and ZIP code. If you Anytown, US 10111		hecking a box below will not					
Presidential Election Campaign	Check here if you, or your spouse if file	ing jointly, want \$3 to go	to this fund (see page		hange your tax or refund. You Spouse			
Filing	1 ☐ Single	- G learni man da sa Ba			ualifying person). (See page 19.)			
status	2 Married filing jointly (even if only	one had income)	If the qualifying	person is a	a child but not your dependent,			
Check only one box.	3 ☐ Married filing separately. Enter separately. Enter separately.	spouse's SSN above and	enter this child Gualifying wide		e.► dependent child (see page 20)			
	6a ☐ Yourself. If someone c	an claim vou ae a d) Boxes			
Exemptions	box 6a.	arr craii ri you as a u	ependent, do no	COTOON	checked on 6a and 6b			
	b ∐ Spouse	(4) √if qua	No. of children					
	c Dependents:	(2) Dependent's social relationship to ch			child • lived with			
If more than aix	(1) First name Last name	security number	you	tax credit page 2				
dependents, see page 21.					with you due to divorce or			
ooo paga z ii				⊢⊢	separation (see page 22)			
					Dependents			
					on 6c not entered above			
					Add numbers			
	d Total number of exemption	s claimed.			on lines			
Income								
Attach	7 Wages, salaries, tips, etc.	Attach Form(s) W-2			7			
Form(s) W-2	8a Taxable interest. Attach So	chadula 1 if required			8a			
here. Also attach	b Tax-exempt interest. Do n		8b		ou			
Form(s)	9a Ordinary dividends. Attach s	Schedule 1 if required			9a			
1099-R if tax b Qualified dividends (see page 25) 9b								

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Since you have no other sources of income, you have completed your tax return. All that's left to do is review your return.

To review your return, click My Tax Form below.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 My Spouse's Form W-2 My Profile My Form W-2 My Tax Form

1040A		U.S	. Individual Income	Tax Re	eturn	(99)	2007	IRS Use Only	∕—Do not wri	te or staple in this s	pace.		
Label		Your fire	st name and initial	Last na	ame				`\	OMB No. 1545-0074			
(See page 18.)	L								Your soc	cial security numbe	er		
	A B	Albert			ntwort	h			222	social security num			
Use the	E		t return, spouse's first name and initial	Last na		l.			1				
IRS label.	н	Susan Home a	address (number and street). If you have		e page 1			Apt. no.	222	222 00 8655 A You must enter			
Otherwise, please print	E R		dy TreeLane	,		-				your SSN(s) above.			
or type.	Е	City, to	wn or post office, state, and ZIP code. If	you have a fo	reign add	lress, see pag	ge 18.		Checking a box below will not				
Presidential	ian		wn US 10111 ck here if you, or your spouse	if filing join	tly wa	nt \$3 to a	n to this fund (so	e page 18)	. —	our tax or refund. You Spou	100		
	igii	1	Single	ii iiiiig joiii	tiy, wai	nt wo to go				person). (See page			
Filing			Married filing jointly (even if	only one h	ad inco	me)				out not your depen			
status Check only		3	Married filing separately. Ent	•		,	4.44.0.46.14	child's name					
one box.			full name here. ►	•			5 Qualifying	, ,	<u> </u>	ent child (see page	20)		
Exemption	าร	6a	✓ Yourself. If someone box 6a.	e can cla	im yo	ou as a c	dependent, do	not che	ck }	Boxes checked on	2		
		b	✓ Spouse							6a and 6b No. of children			
		С	Dependents:	(O) D		nt'a agaigl	(3) Depender		if qualifying	on 6c who:	_		
			(1) First name Last name		epende ecurity r	nt's social number	relationship you	to tax	d for child credit (see	lived with you			
If more than six dependents,		Rach	el S. Wentworth	222	00	1500		Р	age 21)	 did not live with you due 			
see page 21.			J. Wentworth	222	00	4123				to divorce or separation			
					1	I I				(see page 22)			
					1	! !				Dependents			
					1	! ! !				on 6c not entered above			
					!	 				Add numbers			
		d	Total number of exempt	ions clair	ned.					on lines above ▶	4		
Income			·										
Attach		_7	Wages, salaries, tips, et	c. Attach	n Forr	n(s) W-2			7	65426	00		
Form(s) W-2		0.0	Taxable interest. Attach	Cabadu	ا اما	ko su liko.	4		0.0				
here. Also attach			Tax-exempt interest. Description						8a				
Form(s)		9a	Ordinary dividends. Attac	A					9a				
1099-R if tax		b	Qualified dividends (see	page 25	5).	•	9b						
was withheld	•	10	Capital gain distribution	s (see pa	age 2	5).			10				
If you did not get a W-2, see		11a	IRA				11b Taxable						
page 24.		100	distributions. 11a					ige 25).	11b				
Enclose, but do		12a	Pensions and annuities. 12a					e amount ige 26).	12b				
not attach, any payment.			120		V	, -	(000 po	.90 = 0).	120				
1		13	Unemployment compen	sation a	nd Ala	aska Per	manent Fund	dividend	s. 13				
		14a	Social security				14b Taxable	e amount					
			benefits. 14a				(see pa	ıge 28).	14b				
		15	Add lines 7 through 14b	(far right	colum	nn). This	is vour total ir	ncome.	▶ 15	65426	00		
Adjusted				(5		, -			10		-		
gross		16	Educator expenses (see		3).		16						
income		17	IRA deduction (see page		,	2.1	17						
		18	Student loan interest de	eduction	(see p	page 31)	. 18						
		19	Tuition and fees deduct	ion. Atta	ch Fo	rm 8917	. 19						
		20	Add lines 16 through 19					S.	20				
		21	Subtract line 20 from lin	ne 15. Th	is is y	our adj ı	usted gross i	ncome.	▶ 21	65326	00		

Department of the Treasury-Internal Revenue Service

Form

Form 1040A (2007) Page 2					
Tax,	22	Enter the amount from line 21 (adjusted gross income).		22 65426	00
credits,				1	
and	23a	Check			
payments	L	C Speace was sell selecte samually 2, 16 to, S Similary Chesical 1	1	_	
Standard	D	If you are married filing separately and your spouse itemizes deductions, see page 32 and check here			
Deduction	24	Enter your standard deduction (see left margin).		24 10700	00
for—	25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0		25 54726	-
 People who checked any 	26	If line 22 is \$117,300 or less, multiply \$3,400 by the total number of exem	intions	25 54720	00
box on line 23a or 23b or		claimed on line 6d. If line 22 is over \$117,300, see the worksheet on page		26 13600	00
who can be	27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0			
claimed as a dependent,		This is your taxable income .	/	27 41126	00
see page 32.	28	Tax, including any alternative minimum tax (see page 32).		28 5386	00
All others:	29	Credit for child and dependent care expenses.			
Single or			00 00	<u> </u>	
Married filing separately,	30	Credit for the elderly or the disabled. Attach			
\$5,350		Schedule 3. 30	-	_	
Married filing jointly or	31	Education credits. Attach Form 8863. 31	$-\!$	-	
Qualifying	32	Child tax credit (see page 37). Attach Form 8901 if required. 32 200	00		
widow(er), \$10,700	33	Form 8901 if required. 32 200 Retirement savings contributions credit. Attach	00 00	: -	
Head of	33	Form 8880. 33			
household, \$7,850	34	Add lines 29 through 33. These are your total credits.			00
Ψ1,000	35	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0		35 2786	00
	36	Advance earned income credit payments from Form(s) W-2, box 9.		36	00
	37	Add lines 35 and 36. This is your total tax.	•	37 2786	00
	38	Federal income tax withheld from Forms W-2 and 1099. 38 547	79 00		
	39	2007 estimated tax payments and amount			
If you have a qualifying		applied from 2006 return. 39	+	_	
child, attach	40a	Earned income credit (EIC). 40a		-	
Schedule EIC.	<u>b</u>	Nontaxable combat pay election. 40b			
	41 42	Additional child tax credit. Attach Form 8812. 41 Add lines 38, 39, 40a, and 41. These are your total payments.		42 5479	00
	43	If line 42 is more than line 37, subtract line 37 from line 42.		42 3479	100
Refund	70	This is the amount you overpaid.		43	
Direct	44a	Amount of line 43 you want refunded to you. If Form 8888 is attached, check here		44a 2693	00
deposit? See page 53	▶ b	Routing number			
and fill in 44b, 44c,					
and 44d or Form 8888.	► d	number		_	
	45	Amount of line 43 you want applied to your			
		2008 estimated tax. 45		_	1
Amount	46	Amount you owe. Subtract line 42 from line 37. For details on how		40	
you owe	47	to pay, see page 54. Estimated tax penalty (see page 54). 47		40	
		Do you want to allow another person to discuss this return with the IRS (see page 55)?	Ves	Complete the following.	No
Third party		, , , ,			
designee			rsonal iden mber (PIN)		
Sign	ι	Inder penalties of perjury, I declare that I have examined this return and accompanying schedules and	statements	ts, and to the best of my	
here		nowledge and belief, they are true, correct, and accurately list all amounts and sources of income I receiv of preparer (other than the taxpayer) is based on all information of which the preparer has any knowled		the tax year. Declaration	
Joint return?	Y	our signature Date Your occupation		Daytime phone number	er
See page 18. Keep a copy	_			()	
for your records.	5	Spouse's signature. If a joint return, both must sign. Date Spouse's occupation			
Paid	F	Preparer's Date Check if		Preparer's SSN or PTIN	
preparer's	S	ignature self-emplo	oyed 🗌	<u> </u>	
use only		Firm's name (or end of self-employed),	1	<u> </u>	
add dilly		ddress and ZIP code	one no.	()	

January 1 December 31 January 1 April 15

Based on your completed tax return, enter your tax for the year. Enter your tax on line 28, exactly as it appears on your tax form.

Enter tax: \$ 5386

Hint: See Line 28 on Form 1040A.

25 17 18 19 20 21 22 23 24 26 27 28 29 30 31 My Form W-2 My Spouse's Form W-2 My Profile My Tax Form

January 1 December 31 January 1 April 15

Correct! Your tax is \$5,386.00.

Enter your credit for child and dependent care expenses exactly as it appears on your 1040A: \$ 600

The child tax credit is not covered in this lesson, but you are eligible to claim the child tax credit, which is \$1,000 for each qualifying child under age 17.

Enter your child tax credit: \$\\ \begin{align*} 2000 \\ (e.g., \ 1000.00) \end{align*}

Hint: See Lines 29 and 32 on Form 1040A.

17 19 20 22 23 24 25 26 27 28 29 30 31 My Spouse's Form W-2 My Profile My Tax Form My Form W-2

January 1 December 31 January 1 April 15

That's right! Your credit for child and dependent care expenses is \$600. Your child tax credit is \$2000.00. Use your Form 1040A to enter your total tax. Enter your tax exactly as it appears on your 1040A.

Enter your total tax: \$ 2786

How did the credits affect the total tax?

- O It increased the total tax.
- It decreased the total tax.
- O It did not affect the total tax.

Hint: See Line 37 on Form 1040A.

27 17 18 19 20 21 22 23 24 25 26 28 29 30 31 My Profile My Form W-2 My Spouse's Form W-2 My Tax Form

January 1 December 31 January 1 April 15

That's right! Your total tax is \$2,786.00. The tax credits decreased your tax from \$5,386.00 to \$2,786.00.

Are you getting a refund or do you owe more tax?

- Refund
- Owe more tax

Hint: See Line 44a on Form 1040A.

17 18 19 20 21 22 23 24 25 26 27 **28** 29 30 31

My Profile My Form W-2 My Spouse's Form W-2 My Tax Form

Your Tax Year
January 1

December 31 January

Your Filing Season

April 15

Yes! Line 44a on your Form 1040A shows that your refund is \$2,693.00. Lines 44b, c, and d indicate that your refund will be directly deposited into your checking account.

Now you are ready to e-file your tax return with the IRS. Click the e-file button below to continue.



17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

My Tax Form

Your Tax Year
January 1

December 31 January

Your Filing Season

April 15

The last step would be signing the return. You can submit your signature by actually signing Form 8453 and sending it to the IRS, or by using Self-Select PIN (Personal Identification Number) if you are eligible.

The Self-Select PIN is made up of any five numbers (except all zeros) that you choose to enter as your electronic signature. You select your PIN by providing your adjusted gross income from your previous year's tax return for verification purposes. Depending on the version of the software you are using, you may be asked to provide your date of birth in addition to your adjusted gross income.

Signing your return using Self-Select PIN is the simplest and fastest way to submit your signature. You do not need to mail in a paper signature, and you receive an immediate acknowledgement that your tax return was received.

Learn more about self-selecting a PIN by visiting the IRS Web site.

Now click the forward arrow to finish filing Albert's return.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

My Profile

My Form W-2

My Spouse's Form W-2

My Tax Form

January 1

Your Tax Year

December 31 January 1

Your Filing Season

April 15

Congratulations, Albert! You've successfully filed your return by the filing deadline.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31